

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member – Policy and Resources
Date of Decision:	24 September 2013
Decision Title:	Charities' Annual Accounts for 2012/13
Decision Reference:	5147
Report From:	Director of Corporate Resources – Corporate Services

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1. Executive Summary

- 1.1. Under the Charities Act 2006, every charity must prepare accounts on its activities and make them available on request. Charities whose gross income exceeds £25,000 must also send a completed Trustees' Annual Report (TAR) to the Charity Commission within ten months of the end of the charity's financial year.
- 1.2. Given that none of the charities covered in this report have a gross annual income which exceeds £25,000, the approval of the accounts of the charities by the Executive Member on behalf of the County Council as sole trustee satisfies the reporting requirements.

2. Issues covered in the Report

- 2.1. During 2012/13, there were four charities registered with the Charity Commission for which the County Council has acted as sole trustee, and which were under the remit of the Executive Member (Policy and Resources). There are certain other charities, for which the Council acts as trustee, which have different reporting lines for approval of the accounts. The trusts covered by this report are:

- The Michael Austin Harlick Trust Fund
- The Dayas Music Scholarship Trust Fund
- The Hampshire Mentally Handicapped Persons' Holiday Organisation
- The Mace Educational Trust.

3. Trust fund accounts

Michael Austin Harlick Trust Fund

- 3.1. Michael Austin Harlick was an ex-prisoner of war from Gosport who established a trust in his will to be used for the provision of medals, challenge cups and trophies for the children of Hampshire schools, and for the encouragement of pupils in all forms of sporting activity.
- 3.2. The trust is invested in a mix of managed unit trusts established for charities in line with the County Council's investment policy for trust funds agreed by the former Charities Panel in July 1998. The Charibond and Charinco funds are both invested in a range of fixed-interest and index-linked bonds, which produce a relatively high income yield. The investment in Charifund gives the trust exposure to equities, which can have more variable yields (although the percentage return has been similar to the Charibond and Charinco in 2012/13). Charifund investments provide more scope for growth in the trust's capital, which has increased strongly from £29,239 at 31 March 2012 to £33,644 at 31 March 2013 (an increase of 15.1%), with the rise in the value of the stock market in second half of 2012/13.
- 3.3. The accounts attached in Appendix 1A show the trust has maintained its healthy position, although the Trust's income was slightly lower than the value of awards made in 2012/13.

Dayas Music Scholarship Trust Fund

- 3.4. Although the County Council is sole trustee, this trust is administered by the Hampshire Music Service in consultation with the Director of Children's Services, Director of Corporate Resources, Chief Executive and County Music Adviser.
- 3.5. It was established in 1978 under the will of Mary Gwendolyn Sayer Hayton (nee Dayas). It provides music scholarships, preferably, but not necessarily, for pianoforte, for applicants living in Hampshire.
- 3.6. Accounts for the trust are shown in Appendix 1B. It is invested in a mix of investments in line with the County Council's policy. The accounts show the trust to be in a healthy position, with expenditure contained well within its income, and the value of its investments in excess of their book cost.

Hampshire Mentally Handicapped Persons' Holidays Organisation

- 3.7. This trust is administered by the Adult Services and Corporate Services Departments. It is used when required to improve the holiday accommodation facilities for adults with mental disabilities at Orchard Close in Hayling Island.
- 3.8. The accounts are attached in Appendix 1C. The funds are held entirely on deposit with the County Council and will be used to contribute to work on the accommodation on the site. The work was originally planned for 2012/13 but has taken longer to plan than expected. A contract is currently being let for the work, which is scheduled for completion by the end of the 2013/14 financial year.

The Mace Educational Trust

- 3.9. This Trust was established in 2000 under the will of Evelyn Mace. Income to the Trust is used for the provision of scholarships for higher education for students under 25 who are, or have been, in the care of Hampshire County Council, and for scholarships for students due to start a drama or poetry higher education course.
- 3.10. All grants made have been subject to the specific approval of the Executive Member (Policy and Resources) and the trust is administered in the Corporate Services Department. Accounts for the Trust are shown in Appendix 1D.
- 3.11. The Trust is invested in line with the County Council's policy for the investment of trust funds, with 25% invested in a share-based unit trust (Charifund) and the remainder in a bond-based trust (Charibond). The Trust's expenditure was broadly in line with its income and its accounts remain healthy, with a reasonable cash balance in addition to its other investments.

4. Legal implications

- 4.1. The County Council is no longer required to supply to the Charity Commission annual statements of account and reports for the smaller charities for which it acts as Trustee, which have a gross annual income of less than £25,000 a year.
- 4.2. These small charity accounts must be approved directly by the Executive Member (Policy and Resources) on behalf of the County Council as sole trustee.

5. Financial implications

- 5.1. There are no financial implications for the County Council.

6. Conclusion

- 6.1. The proposals set out in the report will enable the Council to fulfil its obligations under charities law.

7. Recommendation

- 7.1. That the charitable accounts for 2012/13 be approved.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

This proposal does not link to the Corporate Strategy but, nevertheless, requires, under the Charities Act 2006, a decision to approve the accounts and reports appended to this report because the County Council acts as sole trustee to the charities mentioned in the report.

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 – background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. Equality objectives are not considered to be adversely affected by the proposals in this report.

2. Impact on Crime and Disorder:

- 2.1. The proposals in this report are not considered to have any direct impact on the prevention of crime.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

No specific impact.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific impact.

Michael Austin Harlick Trust Fund

Registered charity number: 900351

Accounts from 1 April to 31 March

	2011/12 £	2012/13 £
Fund Balance as at 1 April	257,985	262,773
Add income during period		
Income from Charibond	8,718	8,718
Income from Charinco	2,280	2,280
Income from Charifund	1,486	1,589
Refund on grant	46	320
	12,530	12,907
Less payments during period		
Award payments	7,742	14,894
Fund Balance as at 31 March	262,773	260,786

Represented by:

Investments at cost (see below)	222,666	222,666
Cash balance	40,107	38,120
	262,773	260,786

Market Value of Investments

Holding	Stock	Book Cost	Market Price as at 31/03/13	Market Value as at 31/03/13
		£	£	£
134,533.00	Charibond	163,850	1.31	176,507
22,805.88	Charinco	39,518	1.97	44,814
2,564.00	Charifund	19,298	13.12	33,644
		222,666		254,965

The Dayas Music Scholarship Trust Fund

Registered charity number: 280413

Accounts from 1 April to 31 March

	2011/12 £	2012/13 £
Fund balance as at 1 April	94,631	98,521
Dividends and interest on investments	5,138	5,241
Less: Award payments	948	1,914
Less: Hampshire Music Service - Administration of Trust	300	0
Fund balance as at 31 March	98,521	101,848

Investments at cost (see below)	90,074	90,074
Cash balance	8,447	11,774
	98,521	101,848

Market Value of Investments

Holding	Stock	Book Cost	Market Price as at 31/03/13	Market Value as at 31/03/13
		£	£	£
27,653.462	Charibond	31,531	1.31	36,281
18,558.584	Charinco	32,801	1.97	36,468
2,571.488	Charifund	25,742	13.22	33,742
		90,074		106,491

Hampshire Mentally Handicapped Persons Holiday Organisation - (Orchard Close)
Registered charity number: 216037

Accounts from 1 April to 31 March

	2011/12 £	2012/13 £
Fund Balance as at 1 April	42,812	42,812
Add income during period	0	0
Less payments during period	0	0
Fund Balance as at 31 March	<u>42,812</u>	<u>42,812</u>
Represented by:		
Cash balance	42,812	42,812
	<u>42,812</u>	<u>42,812</u>

Mace Educational Trust

Registered charity number: 1078888

Accounts from 1 April to 31 March

	2011/12 £	2012/13 £
Fund Balance as at 1 April	112,597	109,005
Income from Charifund	1,422	1,520
Income from Charibond	3,886	3,886
Refund of grant	0	750
	5,308	6,156
Award payments	8,900	6,250
Fund Balance as at 31 March	109,005	108,911
Investments at cost (see below)	98,500	98,500
Cash balance	10,505	10,411
	109,005	108,911

Market Value of Investments

Holding	Stock	Book Cost	Market Price as at 31/3/13	Market Value as at 31/3/13
		£	£	£
2,454.00	Charifund	24,500	13.12	32,200
59,968.00	Charibond	74,000	1.31	78,678
		98,500		110,878